

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Lifeline and Link Up Reform and)	WC Docket No. 11-42
Modernization)	
)	
Federal-State Joint Board on Universal)	CC Docket No. 96-45
Service)	
)	WC Docket No. 03-109
Lifeline and Link Up		

To: The Commission

REPLY COMMENTS OF MAIN STREET BROADBAND LLC

Main Street Broadband LLC (“MSB”), by counsel and pursuant to Section 1.415(c) of the Commission’s Rules, hereby files Reply Comments regarding Section IX of the Notice of Proposed Rulemaking (“*NPRM*”) adopted in the above-captioned proceeding.¹ MSB supports those Comments that favor modernizing and expanding the Lifeline and Link Up program to include broadband services for which eligibility for subsidies would not be limited strictly to Eligible Telecommunications Carriers (“ETCs”). MSB also favors vouchers that would provide direct support to consumers that could not otherwise afford broadband. The Commission also should conduct pilot programs that incorporate a wide range of scenarios to create a test-bed useful in constructing permanent criteria and requirements.

¹ *In the Matter of Lifeline and Link Up Reform and Modernization; Federal-State Joint Board on Universal Service; Lifeline and Link Up*, WC Docket No. 11-42, CC Docket No. 96-45 and WC Docket No. 03-109, FCC 11-32, released March 4, 2011 (“*NPRM*”). The initial Comment deadline was April 21, 2011 and Reply Comments on certain sections, including Section IX, are due May 25, 2011.

Introduction

MSB currently provides wireless broadband service to 45 communities in Southern Georgia and Northern Florida using a combination of 2.3 GHz, 2.5 GHz and unlicensed frequencies to serve consumers that cannot be served with affordable broadband service from other technologies. MSB is currently deploying 802.16e WiMAX technology across the region. In addition to being unserved or underserved with broadband, most of the rural communities MSB serves have been designated as areas of “persistent poverty” (as defined by the Economic Research Service of the USDA) or “Rural Areas of Critical Economic Concern” (as designated by the Florida governor’s office). MSB deals daily with consumers who are unable to afford basic broadband service, as well as consumers who lack adequate technical knowledge or broadband-capable devices.

In January 2009, MSB’s subsidiary, Broadband South LLC, finalized a \$33.8 million loan from the Rural Utilities Service (“RUS”), and MSB recently consummated a significant capital investment for capital and operating expenses. MSB also has entered into public-private partnerships with Decatur County, Georgia, the Florida Rural Broadband Alliance and the North Florida Broadband Authority, the latter two of which are recipients of BTOP funding from the National Telecommunications and Information Administration (“NTIA”) under the American Recovery and Reinvestment Act.

Discussion

MSB supports the Commission’s view that “the Lifeline/Link Up program may be able to play an important if limited role [in the effort to close the broadband adoption gap], by enabling public-private partnerships to help tackle our national adoption

challenge.”² MSB also appreciates the Commission’s invitation for public input on how to modernize the Lifeline/Link Up program and make broadband a supported service to help advance the objectives of the National Broadband Plan and Section 706 of the Telecommunications Act of 1996.

MSB believes that the Commission can adopt several initial steps in this proceeding that would support these objectives, and supports the views expressed by several commenters.

First, MSB believes that an obvious first step would be to amend the definition of Lifeline to include broadband as a supported service, as supported by a number of commenters. Section 254(b) states that low-income consumers “should have access to telecommunications and information services.” Because broadband is currently deemed to be an “information service,” the Commission would appear to have authority to extend Lifeline to broadband.

Second, MSB agrees with AT&T and others that the Commission should “delink Lifeline participation from the section 214(e) eligible telecommunications carrier (ETC) process, which will expand the pool of providers of the Lifeline-supported service.”³ In particular, MSB believes that a company that is a “broadband Internet access service” provider should be automatically eligible for participation in the Lifeline support program upon registration with the Commission.⁴ As discussed by ViaSat, this streamlined process would replace a cumbersome, costly and politicized state-by-state ETC

² *Id.* at 84.

³ Comments of AT&T, WC Docket No. 11-42, CC Docket No. 96-45 and WC Docket No. 03-109, FCC 11-32, filed April 21, 2011 (“AT&T Comments”), at 3.

⁴ One definition of “broadband Internet access service” was adopted in the Open Internet proceeding (GN Docket No. 09-191 and WC Docket No.07-52) and is found in Section 8.11.

qualification process that discourages participation in the program.⁵ NCTA agrees, stating that expanding eligibility will “encourage broad participation” in Lifeline.⁶ Given the Commission’s authority to extend Lifeline to “information services” under existing statute, an ETC designation should not be required to extend Lifeline to “broadband Internet access services.”

Third, MSB supports the proposals made by Verizon and ViaSat to use vouchers as a means to increase broadband adoption in low-income households.⁷ There is precedent for such an approach. For example, NTIA granted vouchers to consumers to assist in purchasing DTV receivers and, under the American Recovery and Reinvestment Act, subsidizes satellite Internet access to HughesNet subscribers living in designated areas. MSB believes that a direct support to low-income consumers in the form of a flat per-subscriber amount will result in the fastest implementation of a subsidy for broadband adoption, and will minimize cost and complexity for both broadband service providers and for USAC.

Fourth, consistent with the Commission’s view,⁸ the Commission should move forward with a broadband pilot program. As many commenters urged, the pilot program should be technologically-neutral⁹ and encompass a wide range of trials to help the Commission consider the broadband adoption methods that work best with low-income

⁵ Comments of ViaSat, Inc., WC Docket No. 11-42, CC Docket No. 96-45 and WC Docket No. 03-109, FCC 11-32, filed April 21, 2011 (“ViaSat Comments”), at 7-8. A similar position was articulated in the Comments of the Wireless Internet Service Providers Association in the ongoing Connect America Fund proceeding.

⁶ See Comments of the National Cable & Telecommunications Association, WC Docket No. 11-42, CC Docket No. 96-45 and WC Docket No. 03-109, FCC 11-32, filed April 21, 2011 (“NCTA Comments”), at 4.

⁷ See Comments of Verizon and Verizon Wireless, WC Docket No. 11-42, CC Docket No. 96-45 and WC Docket No. 03-109, FCC 11-32, filed April 21, 2011 (“Verizon Comments”), at 4; ViaSat Comments at 7.

⁸ See *NPRM* at 87-93.

⁹ See, e.g., ViaSat Comments at 4-5; Comments of CTIA – The Wireless Association, WC Docket No. 11-42, CC Docket No. 96-45 and WC Docket No. 03-109, FCC 11-32, filed April 21, 2011 (“CTIA Comments”), at 25.

consumers.¹⁰ By experimenting with different technologies, different funding mechanisms, different geographic areas and different adoption methods, the Commission will be better equipped to make long-term decisions that will eliminate waste, fraud and abuse and benefit low-income consumers. Specifically, because of the unique consumer dynamics in rural areas, any pilot program should include deployments in rural and small urban areas in addition to a trial in a large metropolitan area as recommended by One Economy.¹¹ Obviously, MSB agrees with NCTA¹² and others that any broadband provider, not just ETCs, should be eligible to participate in such pilot programs.

Fifth, due to the essential nature of broadband service and the immediate economic impact that broadband adoption can have for low-income consumers, MSB disagrees with AT&T¹³ and CTIA,¹⁴ who imply that the Commission should proceed cautiously and complete pilot programs before Lifeline and Link Up are modified to support broadband services. MSB believes that the amendment to the definition of Lifeline to include broadband as a supported service should not be deferred pending results of any pilot programs. In order to address the immediate needs of low-income residents, the program should be expanded to encompass broadband service immediately. As noted above, MSB believes that the Commission has the authority under Section 254(b) to include broadband as an “information service” and allow non-ETC providers to participate. The use of vouchers as recommended above would allow for rapid implementation. The various pilot programs could then be used to test variations in

¹⁰ See, e.g., NCTA Comments at 5; ViaSat Comments at 4-7; Verizon Comments at 4-5; CTIA Comments at 25; Comments of One Economy Corporation, WC Docket No. 11-42, CC Docket No. 96-45 and WC Docket No. 03-109, FCC 11-32, filed April 19, 2011 (“One Economy Comments”), at 22-24.

¹¹ See One Economy Comments at 22-24.

¹² See NCTA Comments at 5.

¹³ See AT&T Comments at 19-20.

¹⁴ See CTIA Comments at 25.

amounts, eligibility, adoption promotion, potential equipment subsidies, etc. The results of such pilot programs should be used to modify or further enhance the program to more closely align it with the objectives of the National Broadband Plan. This simultaneous approach also will allow for more thorough and longer pilot trials to provide meaningful input on the enduring effects of various program components.

Sixth, MSB strongly agrees with Verizon that Lifeline discounts should not apply to “bundled” services other than telephony and broadband. As Verizon cogently observes,¹⁵ extending support to additional “bundled” services such as video would increase program costs without gaining the intended program benefits, and would effectively amount to an indirect subsidy on other non-essential, discretionary services that are not supported by the mission of the Universal Service Fund. Extending support to bundled services beyond essential telephony and broadband access (both fixed and mobile) creates a “slippery slope” that encourages providers to establish creative bundles that entice low-income consumers to acquire non-essential services that they cannot afford.

¹⁵ See Verizon Comments at 16-17.

Conclusion

MSB believes that the goals of the Lifeline program should include support for broadband adoption. The views expressed in these Reply Comments will help the Commission achieve this objective, for the benefit of low-income consumers and without creating wasteful burdens on American taxpayers.

Respectfully submitted,

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